



The Commonwealth of Massachusetts

Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

L. JOYCE HAMPERS
COMMISSIONER

August 15, 1980

You request a ruling on whether income from the trust described below, which qualifies under Internal Revenue Code Section 664(d) as a charitable remainder annuity trust, is subject to taxation in the Commonwealth.

The donor and income beneficiary of the trust is a resident of the State of Texas and intends to maintain residency in that State indefinitely. The trust corpus will consist of stocks, bonds and similar securities. The Trustee is the Board of Trustees of _____ University, and is located in Massachusetts. Income from the trust will be paid to the resident of Texas with a remainder interest over to (the University).

Income of a nonresident of the Commonwealth is subject to taxation in Massachusetts to the extent that his gross income is derived from sources within Massachusetts.

"Items of gross income from sources within the Commonwealth are items of gross income derived from or effectively connected with any trade or business, including employment carried on by the taxpayer in the Commonwealth or derived from the ownership in any interest in real or tangible personal property located in the Commonwealth." (Massachusetts General Laws Chapter 62, Section 5A.)

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Based on the foregoing, it is ruled that income of a charitable remainder annuity trust derived from stocks, bonds, and similar securities held by a Massachusetts trustee, which is paid to a beneficiary who is a resident of Texas, is not subject to taxation in Massachusetts

Very truly yours,

Daniel B. Breen
Daniel B. Breen
Acting Commissioner of Revenue

DBB:DMH:mf

LR 80-55